

Possibilities of «social license to operate» in various land use modes

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Leena Suopajarvi, University of Lapland, Finland

Arvid Viken, University of Tromsø, Norway

Gaute Svensson, University of Tromsø, Norway

SLO; some definitions

Social License (SLO) – general definition from the industry: The Social License to Operate (SLO), or simply social license, refers to the **ongoing acceptance** of a company or industry's standard business practices and operating procedures by its employees, stakeholders and the general public. The concept of social license is closely related to the **concept of sustainability** and the triple bottom line. Social license to operate is created and maintained slowly over time as the actions of a company build trust with the community it operates in and other stakeholders. A company must be seen operating responsibly, taking care of its employees and the environment, and being a good corporate citizen. When problems do occur, the company must act quickly to resolve the issues or the social license to operate is put in danger.

(Investopedia)

- **Acceptance and legitimacy** are important key words

Theory of SLO

- SLO acknowledges the power that the local community holds/should hold
- Highlights the impact of SLO/lack of SLO
- Local communities have become: “[...] particularly influential governance actors in the mining development process.” (Prno and Slocombe 2012: 347)
- “A social license exists when a mining project is seen as having the broad, ongoing approval and acceptance of society to conduct its activities.” (Ibid.: 346).

Theory of SLO

- Main focus on what SLO means, the power structure
- Not so much focus on what it is, or how it is (re-)created.
- Rethorical question; can one buy SLO?
- The social premisses of entrepreneurship is important in other theoretical traditions

Social license to operate in different industries in Finland

- The research was done by interviewing 16 representatives from mining, forestry and tourism and 23 people from the Kittilä Municipality during 5/2017 – 2/2018.
- Social license to operate concept was familiar only in mining sector; but local acceptance was seen important in all sectors.
- SLO was seen to exist when there is no need to justify the operations; stronger definition: when there are open negotiations with the local stakeholders.

SLO – main themes in Finland

- SLO – information: multiple use of traditional media and social media. Open and real-time information especially when there are problems in operations.
- SLO – stakeholder engagement: open houses, meetings, to be present and visible in the local community. To identify especially most vulnerable and critical groups important.
- SLO – local benefits: the most important thing for the SLO are local employment and development of the local economy. If the workforce is outside, it may erode SLO. Local ownership in tourism strengthens the SLO.
- SLO – environmental concerns. In mining risks related to water systems, in forestry/bioeconomy worries about biodiversity, in tourism expansion of tourist areas, especially routes. Distrust towards legislation, authorities and monitoring.

Social license to operate in different industries in Norway

- Known in the mining industry
 - Nussir – all principles followed, except a massive protest from the reindeer and Sami stakeholders
 - Creating legitimacy of the process
- Fish farming: SLO unknown as a term, many of the principles followed
 - Accepted locally, disputed and controversial nationally

Social license to operate in different industries in Norway

- Tourism
 - SLO not known and not practiced
 - CSR is well known

Concluding remarks

- It is a good principle,
- It goes beyond CSR, but is often reduced to CSR
- It is a concensus principle, trying to unite antagonist parties
- It is a principle that give legitimacy to processes, but no guarantee of outcome

Thank you!



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